

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7159

BILL NUMBER: SB 473

DATE PREPARED: Jan 5, 2002

BILL AMENDED:

SUBJECT: State Employee Military Salary Supplement.

FISCAL ANALYST: Chuck Mayfield

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a state employee on active duty in the United States armed forces to be paid the difference between the employee's state gross pay and the employee's gross military pay and allowances.

Effective Date: July 1, 2002.

Explanation of State Expenditures: The fiscal impact would depend on the number of state employees on military leave and the length of the leave. As of January 4, 2002, the state had 60 employees with an average salary of about \$24,775 on military leave. The minimum annual pay of an E-2 private in the military is \$14,868 for 2002. Assuming the number of employees and their average salaries remained constant over the year and that they were classified as E-2s then the fiscal impact would be about \$594,420.

Explanation of State Revenues: The increase in wages would result in additional Individual Adjusted Gross Income Tax revenue of approximately \$20,210, which would be deposited in the General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: Depending on the residence of these individuals there could also be a slight increase in local option income tax revenue.

State Agencies Affected: All state agencies.

Local Agencies Affected:

Information Sources: Department of Personnel personnel database.